



**Testimony of the Connecticut State Medical Society
Senate Bill 1041
An Act Concerning Health Care Sharing Plans
and Health Care Sharing Ministries
March 18, 2021**

Senator Lesser, Representative Wood and distinguished members of the Insurance and Real Estate Committee, on behalf of the physicians and physicians in training of the Connecticut State Medical Society (CSMS), thank you for the opportunity to provide testimony on **Senate Bill 1041, An Act Concerning Health Care Sharing Plans and Health Care Sharing Ministries**.

CSMS supports this Bill.

Health Care Sharing Plans (HCSP) and Health Care Sharing Ministries (HCSM) are programs under which groups of people, usually who share a common faith, make monthly payments that are pooled to cover the cost of the members' medical care. HCSPs and HCSMs are not health insurance and as such do not have to comply with the consumer protections of the ACA, like covering treatment for pre-existing conditions, capping deductibles and out-of-pocket costs or providing for minimum essential coverage.

HCSPs and HCSMs may look like insurance to consumers and physicians, in part because of often-used deceptive marketing practices and misleading plan features. HCSPs and HCSMs frequently market themselves close to traditional insurance plans, offering tiers like "gold," "silver," and "bronze". They also use terms like "share" instead of "premium" or "need" instead of "claim." This marketing methodology leads patients to believe the products are a viable alternative to health insurance. However, these plans make no guarantee to reimburse members for medical expenses and do not have to meet any financial or other standards to ensure they can cover members' medical needs. As a result, many members end up with significant unpaid medical bills or in debt collection over bills that go unpaid.

These plans prey on naïve and unsophisticated shoppers of health insurance by exploiting their previous unrelated comfort and experience with a specific group or faith in a particular religious group, exploiting that faith in a manner that is not transparent and that may better serve the entity than the individual who has subscribed to it.

While CSMS supports 1041 in ensuring that no one profits from the sale of these plans, we urge this Committee to take one step further and ban HCSPs and HCSMs from operating in Connecticut. States do not regulate HCSPs and HCSMs. As such, they run unchecked in Connecticut, preying upon patients who may see these plans as a cheaper alternative to health insurance. In reality, what patients wind up paying for is a plan that may not cover any of their medical costs, denying them for pre-existing conditions. Patients have no appeal mechanisms and have no external regulatory body to appeal or complain to when HCSPs and HCSMs deny payment.

One deceptive practice of HCSPs and HCSMs is to provide an enrollment card that looks like a traditional insurance card. Physician offices may not know at the point of care that the patient's plan is not traditional insurance. When the patient's claims are ultimately denied by the HCSP or HCSM, it is the physician who must then bill the patient and is often left being unreimbursed for services provided.

HCSPs and HCSMs are in the business of limiting access to health care by denying coverage for pre-existing conditions and imposing exorbitant deductibles and out-of-pocket costs. SB 1041 takes the first step in limiting the business of HCSPs and HCSMs, but we urge this Committee to take further action to prohibit these plans from doing any business in Connecticut and preying on unsuspecting patients. Thank you.